



# Michigan Municipal Electric Association

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Chairman Mike Nofs, Chairman  
Senate Committee on Energy and Technology  
PO Box 30036  
Lansing, MI 48909

Chairmen Nofs and Members of the Committee:

First and foremost, MMEA would like to thank Chairman Nofs, as well as Senators Proos and Hopgood for investing their time to create a Senate Workgroup representing a diverse set of interested parties. In our opinion, crafting and implementing good public policy should allow for input from the public. The Senate Workgroup allowed for such a process. From Lake Michigan to the Detroit River, the Workgroup met several times over the last year and a half.

The dialogue was fruitful, and MMEA is thankful to have been a part of that process. In the end, we think it was this process that has led to the drafting of good energy policy. MMEA members support SB 438, and we appreciate that the sponsor of this bill has properly recognized the importance that local control plays in setting sound utility policy.

The Michigan Municipal Electric Association (MMEA) is Michigan's trade group for municipally owned electric utilities. The 40 communities in MMEA which own and operate their own electric utilities provide for approximately eight percent of Michigan's total electric retail sales.

Cities or villages with municipal electric systems provide electric service to their residents, just as communities commonly provide water and sewer service. As units of local government, municipal electric systems are non-profit, community owned and operated, and regulated directly by the communities they serve through elected and/or appointed officials. As such, every citizen is an owner of the utility - having the opportunity to have a direct say in decisions that affect rates, service, and policy.

The benefits produced by public power stay in the local community – whether in the form of lower rates, increased electric reliability, or financial and non-financial contributions.

Municipal utilities take a long-term planning approach to ensure generation capacity is available for future reliability at a reasonable price. In fact, MMEA members have a legal obligation-to-serve all customers within their service territory that request electric service.

When deciding how best to meet customer demand, MMEA governing bodies take an all-of-the-above approach. Renewable energy and waste reduction programs are considered critical components of any sound power supply plan.

As mentioned during deliberations of the Senate Workgroup, MMEA strongly supports flexibility for smaller utilities that make up the MMEA. It is our belief that leaving important decisions on how best to meet customer energy needs to our local regulatory bodies will provide for the greatest benefit to our customers.

Regarding any changes to Senate Bill 438, MMEA has submitted some suggested amendments to the Chairman's office. We will work with the Senator Proos and Chairman Nofs to address these issues, which are non-substantive and more technical in nature.

Again, MMEA would like to thank Chairman Nofs, Senators Proos and Hopgood, Commissioner Talberg, Senate and MPSC staff, as well as other members of the Workgroup for their participation in a thorough and thoughtful process. I would also like to thank members of this committee for the opportunity to testify before you today.

In summary, municipal electric utilities in Michigan are strong supporters of renewable energy and waste reduction programs. And while MMEA members will continue utilize both these options to meet future customer demand, it would be our preference to be allowed to do so without the burden of rigid state mandates. History tells us that a one size fits all approach to energy policy cannot compete with a process that leaves these important decisions in the hands of our local governing bodies. Bodies made up of community leaders that know our customers' needs and desires.

MMEA looks forward to supporting your efforts to address energy policy for Michigan in a positive manner, and I would be pleased to take any questions that you may have.

Regards,



Jim Weeks  
Executive Director

C: Members of the Senate Committee on Energy and Technology  
Members of the MMEA Board of Directors